

Comments of Paul P. Stone, Procurement Center
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Thank you for the invitation to provide comments in regards to the feedback that I have received from small businesses regarding problems that they experience in their efforts to sell in the Federal Marketplace.

I am currently in my fifth year as a Procurement Analyst for the Small Business Administration's Office of Government Contracting, where I serve as a Procurement Center Representative or "PCR". I began my SBA career 18 years ago working in the 8(a) Business Development Program primarily involved in eligibility processing. I have owned two small businesses, one with my family. My background is in accounting and public relations.

As a PCR, I represent SBA and the interest of small business on matters pertaining to procurement policy at six agencies in the North Texas area. I reside at the Army Corps of Engineers' Fort Worth District with liaison responsibilities at GSA Region VII, VA Medical Center in Dallas, Fort Hood and Sheppard and Dyess Air Force bases.

I regret that the majority of my current responsibility includes reviews of procurement actions involving construction and I may be unable to offer comments that address many of the issues that your panel is reviewing. I do appreciate the efforts of your panel and I hope that small business takes advantage of the opportunity to provide their comments directly to you.

Generally, I would have to offer that many of the small businesses that I have counseled have not offered complaints about challenges in navigating the federal procurement system. However, I do hope to offer you some specific areas that could be addressed.

Downsizing of corporate America has contributed a wealth of talented businesspersons who have moved into the small business community and have brought with them the knowledge and experience needed to successfully compete. Others, simply have concentrated in the private sector or seek opportunities doing subcontracting. I think that there are many businesses that fully recognize their capabilities and concentrate on appropriate markets.

We need to continue to support the advocates and resources available to small business. DoDs Procurement Technical Assistant Centers ("PTAC") and SBA's Small Business Development Centers ("SBDC") must continue to provide assistance with educating small business on the procurement process. PCRs need assistance with counseling so that they may concentrate on their procurement review responsibilities. Agency officials must not consider the Small Business Program an impediment but as good policy.

In regards to specific issues, the largest complaint that I hear is in regards to the Federal Supply Schedule. FSS has limited "set-aside" schedules. I have heard from Security Guard contractors and others that the move to use the "schedule" has impacted their ability to sell to the government. Even though they have adapted by investing in being awarded a schedule contract, they are now in competition with large business for work that was previously made available through small business set-asides.

As GSA has successfully developed the 8(a) STARS vehicle, efforts should be made to consider similar vehicles for small business set-asides.

IDIQ contracts continue to be a complaint of small business. While many agencies continue to provide some capacity in these vehicles on a set-aside basis, those unsuccessful offerors may not have the opportunity to re-compete for these requirements from three to twenty years. As a taxpayer, I appreciate that the government has reduced the cost of procurement and these contracting methods afford efficiency. However, small business continues to be challenged by this method of contracting. It is equally challenging that when reviewing “consolidated” requirements for bundling, if the consolidation results in a set-aside, it is not considered “bundling”. Regardless of SBA’s efforts to assist in educating firms in the understanding of joint ventures and teaming, there are businesses that loose out due to the Government’s efforts to purchase more effectively.

The Small Business Competitive Demonstration Program presents challenges as well. I believe Small Business has demonstrated their ability to compete in unrestricted competition in many areas. However, it appears to be limited to those procurements that large business is not interested in due to value or location. Additionally, SBA and the SADBUs community should continue to educate procurement professionals that under the Competitive Demonstration Program, set-asides are still to be considered for 8(a), HUBZone and Service Disabled Veteran owned businesses.

An area of concern with some PCRs is language contained in FAR 19.402 (c)(i), which establishes the duties of the SBA PCR. Specifically, line (1)(i) provides for us to review requirements that are not unilaterally set-aside by the contracting officer. While some agencies provide for SADBUI review of these requirements, the PCR may not be afforded the opportunity to make recommendations in support of other SBA programs.

I would also like to offer you comments regarding the use of cascading solicitations. My experience with the Corps of Engineers has been very positive. The local Corps has developed a detailed procedure for using cascading that has had positive results. Part of the success experienced is based on their policy as to when cascading would be appropriate. It is used primarily in the fourth quarter, when funding may expire and time to re-solicit is not available. While large business may be less interested in incurring the expense to prepare an offer when it may not get consideration, small business has recognized the need to be competitive in order to be successful.

Finally, one of the questions that you have asked of small business is if they feel they have had a fair opportunity to compete for task and delivery orders under multiple award contracts. PCRs may not always receive feedback to this issue. However, SBA PCRs have recently requested their agencies provide them the opportunity to comment on acquisitions that are proposed to be acquired by using other agencies' GWACs, BPAs or Federal Supply Schedules. Hopefully, our review of these actions may result in additional opportunities for small business.

I appreciate the invitation to appear before this panel and if you have any questions, I am available to address what I can.

Thank You